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Lloyd's

BY WALTER MUCKLOW

"A-I at Lloyd's!" Probably everyone reading these words has frequently used the phrase: probably few know its exact meaning and still fewer its origin.

Both meaning and origin are to be found in a hefty but fascinating volume, recently published in commemoration of the opening of Lloyd's new building in London, by Charles Wright, chairman of Lloyd's Brokers Association, and C. Ernest Fayle, author of *Seaborne Trade*.

The work clears up for the first time many points concerning which doubt or ignorance has existed, and to him who reads with any knowledge of London life as it was a couple of centuries ago, or with any imagination, it presents a series of picturesque sketches of men, of manners and of customs. It shows that although there may be some truth in the misquotation, "*tempora mutantur, nos et mutamur in illis*," the changes in customs and in men are only superficial and the basic characteristics remain constant and unchanged.

While many pleasant adjectives may be applied to the labors of accountants, it is seldom that these labors lead to the picturesque. For this reason, and also because accountants do enjoy statements of facts, I shall pick out some of the high lights in the pictures, for, even if one had the ability to tell them, the space of a magazine article will allow only brief glimpses of all the happenings described in a volume containing nearly five hundred pages and dealing with stirring events through two and a half centuries.

BIRTH

There is no doubt that Lloyd's originated in Lloyd's Coffee House, and that this house was originally owned by Edward "LLoyd." There begins our story and there is the first departure from the usual, for while the peculiarities of English spelling

cause a few names to begin with two small letters, such as "ffrench" and "ffoulkes," I know of no instance where a name begins with two capital letters except in the present case where "Edward LLoyd" appears to have been the life-long signature of "the coffee man," as he was called.

To see him clearly, we must picture the city of London as it was in the days of Charles II and Queen Anne. In commerce it led the world, for it had probably outdistanced its only rival, Amsterdam. It was the most populous city in Europe, boasting of a population of about half a million, most of whom were crowded in the city proper, which was about a square mile in extent.

The streets, if judged by today's standards, had every known defect and shortcoming: they were narrow, tortuous, irregular, roughly paved with cobblestones, gloomy by day and dark by night.

Macaulay tells us that about 1685 an ingenious person by the name of Heming obtained a patent conveying to him for a term of years the exclusive right of lighting London. He undertook "to place a light before every tenth door, on moonless nights, from Michaelmas to Lady Day, from six to twelve of the clock."

In wet weather—and when is London dry?—puddles abounded and mud splashed on the clothes of the unwary from the wheels of every passing coach. In addition to the dangers underfoot, the pedestrian was subject to showers from above when a chambermaid was attending to her duties. It is a matter of interesting conjecture to determine whether the perils of the pedestrian of those days, of which histories say so little, were much less than they are in the present day of motor cars. Added to these dangers were those arising from such wild bands as the Mohocks, composed of young men of family, which infested streets at night and enjoyed inflicting discomfort and humiliation upon peaceful citizens and the watch.

We must remember, too, that most of the professional men and merchants lived over their offices, a practice which prevailed to some extent in my own boyhood, for I well remember that the square in which I was born was surrounded by tall houses, the ground floors of which afforded office room for professional men who lived in the upper five or six stories and subsequently moved to Brook street or Harley street where they continued to live in a similar manner.

From these tall houses fronting on narrow streets issued, during the morning, the merchants—those whom we are now considering

and of whom there appear to have been some 1,700 or 1,800. Hale, healthy men as a rule, clad in clothes of many a hue described by Pepys and pictured by Hogarth, they made a leisurely way to the exchange to learn quotations and market news, the price of cochineal and indigoes at India House, what ships were sailing for Jamaica, and what seizures the corsairs had made.

One can imagine Samuel Pepys strolling in with a genial face, a pompous manner and a fine coat, and passing the time of day with his cronies. He tells us of a scoundrelly master in 1663 who smeared butter over tubs of lard and insured them for five or six times their value, and for whose smartness it is to be feared Pepys had admiration. The description is not dissimilar to frauds of today, especially those which occurred after the close of the great war.

Up to the early Stuart days the taverns had been the recognized meeting places, but they became noisy and fell into some disrepute, as did the open bars in America two and a half centuries later. However, our Londoner did not invoke prohibition as a remedy—possibly Cromwell and his praying preachers had already enacted too many prohibitions—but chose another novelty—coffee. This beverage had been introduced into Europe at the close of the sixteenth century and the first coffee house was opened in London in 1652, off Cornhill. Popularity came quickly and in 1708, only 56 years later, a contemporary writer declared that there were three thousand coffee houses in London, so many, in fact, as to become a nuisance.

They were conducted in an orderly manner, were open to the public and were inexpensive, for every customer who laid down a penny was entitled to a dish of coffee, a seat, a share of the fire in winter and the right to examine the news sheets provided by the house.

We know that some of these coffee houses, such as White's, developed into the modern club. Is it too much to say that others were the precursors of the modern luncheon club? Quite naturally, as time passed, different houses attracted different classes of patrons, the bloods of the West End patronizing White's and Boodle's at that time as do their successors today, while the merchants had their cliques which remind one a little of the various "pits" on the present exchanges.

About 1689 one Edward Lloyd opened a new coffee house in Tower Hill. His house was in the center of shipping business and

it throve to an extent sufficient to warrant his removal in 1691 to Lombard street, close to the general post office and near the Royal Exchange.

London was by far the greatest port of England, although its business in 1694 seems to us insignificant, for it is reported that only 135,972 tons of shipping entered and 81,148 tons cleared. However, these vessels sailed for all known ports of the world and carried merchandise from every land. Half a century later the volume had increased to 511,680 tons entered and 179,860 tons cleared.

These cargoes of value were insured, for marine insurance had long been practised, but its fascinating history, lost in early ages, can not be touched upon here. Still, it was not recognized as a distinct calling nor was there any association of insurers, most of the insurance being written by merchants as what would now be called a "side line."

The business was obtained by brokers, corresponding to the agents of today, and a common procedure for a broker desiring insurance on any venture was to proceed from place to place, from exchange to coffee house to office in search of merchants who would underwrite a part of the risk. This took time and gradually those who were willing to insure made certain houses their headquarters: of these Lloyd's became the chief.

It was seldom that one man undertook the entire risk on a vessel or her cargo, but under the policy he wrote the amount he would insure and placed his name or initial against it. Literally he wrote under the policy the share of the risk which he assumed—a practice which is still followed on all Lloyd's policies.

From contemporaneous writers and from a recently found ground plan of Lloyd's Coffee House we can draw a fairly accurate picture of the place as it appeared in the time of Queen Anne.

The house was known as 16 Lombard street and was next to the corner of Abchurch Lane on which the back portion of the premises faced. The total frontage on Lombard street was only 14 feet 6 inches, most of which was filled by a lock-up shop usually occupied by a tenant; the house became wider at the back and afforded a floor space of about 1,070 square feet. On the western side was a narrow passage which led to the rear of the premises, probably occupied by kitchens, storerooms and cellars, and to a flight of stairs leading to the coffee room which occupied the first floor, that is, up one flight of stairs.

If we ascend them we find ourselves in a large room, the front facing on Lombard street and the rear portion of the side looking out on Abchurch Lane. There are no partitions; the floor is sanded, and tables are scattered about irregularly.

At one end is the bar, and waiters attend to the wants of customers, supplying not only food and drinks but writing materials, for the house was a great place for letter writing and every coffee house was used as *poste restante* and afforded an accommodation address for its customers.

At Lloyd's we find a "pulpit" in the room. The air is heavy with smoke, and conversation buzzes loudly until a "boy," or waiter, enters the pulpit and raps for silence while he reads some announcement of news of general interest.

Ships were usually sold at the coffee houses and Lloyd's Coffee House took the lead in this business. Many sales of ships, wines and other things were advertised and took place there.

The sales were commonly "by the candle" or by "inch of candle," a method followed in rural parts of England even up to 1873. At the opening of the sale an inch of candle was lighted and bidding continued until the candle burned out, the last bid before the flame expired winning the property. Those who desire a detailed account of such a sale and its growing excitement as the flame died will find it in *Pepy's Diary* for September 3, 1662.

Such then was the place, and such were the customs of the birthplace of Lloyd's, over which Edward Lloyd presided until his death on February 15, 1712(3).

YOUTH

Edward Lloyd founded his coffee house about 1689, and moved to Lombard street in 1691. He died in 1713 and his business was carried on by his son-in-law, William Newton, who had married Lloyd's daughter Handy. He in turn was followed by various successors, all of whom were known as masters of Lloyd's, but the name of the coffee house remained unchanged.

As has been said, marine insurance was written as an addition to their regular vocation by "merchant insurers." The business was profitable and attracted the attention of would-be investors; it was to an extent affected by the excitement attending the South Sea Bubble, which burst in 1720, and various forms of insurance were attempted, many of which would be as suitable today as

when they were first proposed, as, for example, insurance against death from gin drinking, "assurance from lying" and an "assurance of female chastity." Unfortunately no records are available to show the premiums charged in any of these classes.

About this time we can picture Addison sitting at his table at Lloyd's, for he tells us what happened on April 23, 1711, to his rough list of subjects for the *Spectator*, which had fallen from his pocket and was picked up by the boy who, after passing it around, to the mystification and amusement of all, mounted the pulpit and read it aloud, according to the prevailing custom, after which Addison recovered it and used it as a pipe lighter.

Occasional whispers about the formation of an insurance company began to arise, but the merchants of that day were as suspicious of corporations as are socialistic radicals of today. A corporation was synonymous with a monopoly—each was a child of the devil. Still, the French wars caused heavy losses of Dutch and English vessels and cargoes, and the government was petitioned without immediate success to come to the assistance of the underwriters. The record of this action brings to light another old friend, for we find that Daniel Foe prayed that his name should be included. He was an underwriter and the father of him whom we know as Daniel Defoe.

However, the merchants of those days were both pertinacious and wealthy, and in 1717 a subscription list was opened to form a company with a capital of £1,000,000. The move was strongly opposed and the account of the struggle reads much as does a story of lobbying today. Finally, Lord Onslow, who led the movement, was successful and promised to find £300,000 to contribute to the civil list, whereupon His Majesty, King George I, conveyed to parliament an expression of his opinion that the formation of two such companies would be a great advantage to trade. Accordingly, charters were issued in June, 1720, to the Royal Exchange Assurance Corporation and to the London Assurance Corporation.

All through the fight the merchant underwriters at Lloyd's pursued their way, apparently quite undisturbed, for they had won a world-wide reputation and even policies written abroad bore testimony to their character, for it was common to provide that settlement be made as in London. As far back as 1562(3) the underwriters on the *Santa Maria* bound themselves "To all the ventures and chaunces that may contayne in the best bill of

assurance that is used or may be made in this Lombarde Strete in London."

The most important addition to the business was the issuance of *Lloyd's News*, which we shall consider later.

A noticeable change gradually occurred in the nature of insurance, for the gambling policy had become too general, especially on the lives of public men and on those known to be seriously ill. Strange as it may seem to us today, policies were actually written on the results of political elections.

This condition led the conservative element which has from first to last controlled English underwriting to decide upon a withdrawal—today these men would probably be described as "bolters." They began their plans about 1769 and attached to themselves Thomas Fielding, one of the waiters at Lloyd's; they secured a lease of No. 5 Pope's Head Alley within a stone's throw of Lloyd's, of the Royal Exchange, and of the general post office, and there came into being Lloyd's New Coffee House, destined to supersede the original Lloyd's and to grow into the corporation of today.

The first step was the formation of a committee to direct the affairs of the coffee house, which from now on was run not at the discretion of the master but under the direction of "the Committee for the management of the concerns at Lloyd's," and here the youth grew into the young man.

The coffee house was never regarded as a source of profit, but as a necessary adjunct, and the subscribers, although controlling it, took no share of the profits of the house.

By 1771 the underwriters were recognized by the business world; they were men of substance and repute, thinking no small beer of themselves, for when calling a meeting of their associates they described themselves as "Gentlemen Underwriters" with two capitals—and this in the days when the word "gentlemen" had some definite meaning.

There now appeared on the scene, in 1773, Mr. John Julius Angerstein, a member of a Hanoverian family, who was born in St. Petersburg, came to London as a boy and was the leading spirit in the new Lloyd's until his retirement in 1811. He arrived at an auspicious time, for in 1774 the underwriters were finally, definitely organized and ready for a wise leader.

Angerstein and his following showed in a few years that the "old" Lloyd's could not compete with them. New Lloyd's grew,

its quarters became too small and it moved to the Royal Exchange. The old exchange was destroyed by fire in 1838 and with it many of the old records, but when the exchange was rebuilt Lloyd's moved into it and remained there until it was removed in 1927 to its own new building on Leadenhall street.

The spirit which has always prevailed at Lloyd's was and is bound to earn the respect, one might say the affection, of the public. The honesty and stability of the members have always appealed to the world. While conducting their affairs with dignity they enjoy the good things of life, as every visitor to a luncheon in the captain's room or with the staff of *Lloyd's Register* well knows.

Above all, there has always prevailed that good sporting spirit which appeals so powerfully to English-speaking people and found satisfaction in the insuring of marine risks in the eighteenth century when European wars were frequent, when the narrow seas were infested with dangers still described in Lloyd's policies as "Enemies, Pirates, Rovers, Thieves, Jettisons, Letters of Mart and Countermart, Surprisals, Takings at Sea" and when the fears of Shylock were inherited by many an owner, insurer and lender.

Of course, there were disgruntled ones who sometimes rushed into print, often smothering their vindictiveness in a welter of words, cases of capitals and multitudes of italics. In those days the newspaper reporter had leisure to indulge in rhetoric, and a few choice specimens survive, as, for instance, in the description of Lloyd's new rooms which were "in stile of finishing and point of elegance, the first in the Kingdom" and in which "the daring hand of the Underwriter, with pen and paper is to brave the united force of Neptune and Boreas."

One of the most picturesque characters was "Dicky Thornton," who alone insured a cargo of gold to Russia for Baring Brothers for a quarter of a million sterling. Always strikingly dressed in his colored coat, breeches and stockings—and I am sure his lace cuffs and frills were of the finest—he would stand with his back to the fire in the subscribers' room and offer to each and every new member to lay a hundred to one against the contingency of twins. He died leaving a fortune of four million pounds sterling, which in those days constituted great wealth.

The dinners of the members were long and elaborate, and although they were not preceded by cocktails each course was

washed down with its particular wine and the meal was settled with port, consumed not by the glass but by the bottle. Yet withal "the very name of Lloyd's was regarded, not at home only, but also in every part of the world where the British name is known, as synonymous with everything that is liberal, just, public-spirited and honorable."

MATURITY

Underwriters had now formed themselves into a society; they had decided on a definite form of policy; they had their house, managed not by the master for himself but for them. They had already earned the respect of the business world and conducted business on a large scale, as is shown by the insurance written, e.g., £200,000 on one vessel from Quebec and £658,800 on specie from Vera Cruz.

It is impossible in this short account to describe in detail the continuous growth of the society, or the troubles which beset it, largely through the frequent wars at the meeting of the eighteenth and nineteenth centuries. John Julius Angerstein continued to be the recognized leader until his retirement, and the heavy marine losses arising through the Napoleonic wars brought Lloyd's into close touch with the admiralty, particularly in the formation of convoys, which frequently included 50 to 70 vessels, and in the business of gathering marine news, especially of enemy ships.

Angerstein was followed by one-legged Sir Brook Watson who was chairman from 1796 to 1806. Later, after stormy debates, new by-laws were adopted and the chairmanship came to one bearing another name of renown, Mr. Joseph Marryatt, the father of Capt. Frederick Marryatt, R.N., whose Midshipman Easy, Peter Simple, Japhet and their company delighted our boyhood and still refresh our later years.

In the first quarter of the nineteenth century successful efforts were made to obtain an act of parliament permitting companies to write insurance, and a flock of new companies came into being. Lloyd's, true to its tradition of the individual underwriter, continued hostile, and in 1834 it passed rules prohibiting any other than an individual to write policies, thus excluding all partnerships and firms. In this struggle another national name appeared when a series of newspaper articles was published in the *British Press* over the name of John Dickens, the father of the immortal Charles and the original of the immortal Micawber.

An amusing instance of the relations between employers and their staffs was caused by beards. In 1857 the committee noticed that some of the clerks were wearing "moustaches or a beard, or both." As this was a "custom not general in the rooms," the "managing member" was desired to take action, and he wrote to one of the offenders expressing the hope that the clerk would "remove that which imparts something of a Military Character to your appearance, so inappropriate to those occupied in Business Affairs." The culprit complied, but three years later when he joined the volunteers he received special permission to resume his moustache.

Lloyd's always kept fairly abreast of the times. Picture the pride with which in 1845 the members arranged to receive news by "electric telegraph," and the satisfaction with which they announced, in an article edited by the committee in 1852 for Mr. Dickens' *Household Words*, that "the electric telegraph is in daily use during stormy weather."

In 1870 a dispute arose as to the propriety of a member's conduct and it was decided to apply to parliament for a charter which would give to the by-laws legal force. The law was passed May 25, 1871, and the body as it exists today was created. The several slight amendments passed since that time merely extend the powers of the corporation without making any fundamental changes.

The outward and visible sign of the business of underwriters is the policy which they issue, and Lloyd's policy is a remarkable example, the history of which is a story in itself. Its origin is still somewhat obscure. It is known that marine insurance in its modern form was practised in the ports of Italy in the first half of the fourteenth century, but no policy has been found dated before 1523, when one was issued at Florence. The earlier policies were often sketchy and their value depended upon the construction placed upon them. This, in turn, rested upon the practice crystallized into custom by the Italian merchants who gave their name to Lombard street. Quite naturally in the course of years a general form of policy was developed and those in use in 1617 were similar, in most of the essentials, to those used by Lloyd's and finally formally adopted. The reason for adoption of this form is a riddle, for there was no corporation, or institution, or body of underwriters, and it was never prescribed by law until 1795, years after its adoption. Its authority rested on its general acceptance

by all interested as embodying the recognized customs and usages of Lombard street, or elsewhere, in London.

Printed forms were in general use at the close of the seventeenth century, and on January 12, 1779, the subscribers to Lloyd's adopted the final form and agreed to use no other. This form remained in use until 1874, when the "waiver clause" was inserted to protect underwriters under certain conditions when the assured tendered abandonment. Only two other additions have been made to the body of the policy, in 1898 one relating to war risks and the "frustration clause."

The present policy, then, dates back to the early part of the eighteenth century and it is expressed in language almost three centuries old. It is not a long document, and provides for many contingencies, some of which are modified by slips attached to the policy when written. The same form is used whether the insurance be on the hull, on the cargo or on one package of freight contained therein.

Modifications of the terms and conditions, which are almost invariably required and are innumerable, are made by clauses printed on separate slips of paper and stamped or gummed on the policy.

The result is a curious, unique document, and, as one great authority declared in 1914, "If such a contract were to be drawn up for the first time today it would be put down as the work of a lunatic endowed with a private sense of humor."

As far back as 1791 Mr. Justice Buller declared that "a policy of insurance has at all times been considered in courts of law as an absurd and incoherent instrument."

Yet, despite attempts to change it, it remains unchanged because "it has generations of legal interpretations hanging almost to every word and almost certainly to every sentence." If any changes were made, the leading cases would no longer be binding precedents, settled by centuries of litigation, and the entire business would have to be thrashed out again.

Each Lloyd's policy contains on the left hand margin the letters "S. G.", the meaning of which was lost in obscurity and was rediscovered only recently. The Latin, Italian and English languages were ransacked, but nothing definite could be proved until some old policies were found by chance. In 1795 a stamp tax was imposed on all policies and five forms were prescribed in

the act, two for use by the two licensed corporations and three for use by individuals. These last three were, respectively, for insuring the ship, the goods or the ship and goods. The forms were identical except for the omission or insertion of the appropriate words to describe that which was insured. Brokers kept stamped forms in their office and, as it was found inconvenient to maintain three forms, quite naturally, they kept the form for ship and goods marked "S. G."

If it be asked, "What will Lloyd's insure?" the reply is that, if life insurance be excepted, there exists "no business, or undertaking or event or contingency, to which a risk of a genuine character attached, for which it would not be possible to obtain a quotation from an underwriter here."

It is now a common occurrence to insure against bad weather for vacations or for any special events, against triplets or quadruplets and other contingencies. A moment's thought reminds one that statistics are readily available on which reasonable rates for such risks may be determined.

To describe the body which we have been considering is a task which presents many difficulties, for it is not easy to reply satisfactorily to the question "What is Lloyd's?" It was once answered by one of the staff in the words, "Individually, Madam, we are underwriters; collectively, we are Lloyd's."

Lloyd's is a corporation having 1,248 underwriting members, 95 non-underwriting members, 354 annual subscribers and 89 associates. It holds securities of over ten million pounds sterling to safeguard policyholders; several more million pounds of premiums in trust, guaranty policies amounting to over eleven million pounds and the security of each member's personal fortune. Yet it does no business, in the usual sense of the word, it writes no insurance, it has no branches, no representatives soliciting or accepting business.

It has some features in common with an exchange, such as the stock exchange, for its members are selected with rigorous care and are under its direction, and it strives for protection both of the public and of its members.

However, its work is far wider, for it has organized a method of collecting marine news to a unique extent. It has record of every vessel built, of its movements, its owners, its business and its captain and, frequently, of its officers.

The "corporation" consists of underwriting and non-underwriting members, in whom rests the management of the corporation, and of annual subscribers and associates.

The actual insurance is undertaken solely by the individual underwriting members, to whom it is offered by brokers who may belong to either class of members or may be annual subscribers, while the associates are those engaged in related activities, such as average adjusting.

There are also "substitutes" who are authorized representatives of members or subscribers and have been approved by the committee.

The underwriting members are divided into two classes: first, those who accept risks for themselves and for others, and, second, those who do not themselves engage in the business but engage an agent to do their underwriting for them. The agent charges for his services a small salary and a commission.

In order to become an underwriting member, an applicant must obtain the signatures of six members on his application and must answer an exhaustive printed catechism set by the committee. Then, with the first of his sponsors, he has a personal interview with a sub-committee.

If he be approved, he is informed that he will be admitted if he agrees to follow the rules laid down by the committee, giving it power to see that he carries out his engagements. He must undertake that his annual premium income shall not exceed a stipulated amount and he must deposit with the committee securities and guaranties in proportion to his commitments; he must also pay an entrance fee of £500 and an annual subscription.

If the member is to write through an agent, he selects such agent and becomes a capitalist pure and simple, providing the funds, incurring the risks, but having no hand in conducting the business, all of which is done by the agent.

As still further security, the member does not receive the premiums, but these are all placed in a premium trust fund, maintained solely to meet his insurance liabilities and managed and controlled entirely by the committee.

Separate underwriting accounts for each year and the results of a year's operations are not known for three or four years. Therefore, the member has to wait long to receive the benefit of any profits arising from the insurance he has written. During all this

time, the members' accounts are subject to most rigid audits, not merely to insure their accuracy but to ascertain that the assets are continuously sufficient to meet both actual and prospective liabilities.

It is no doubt a fact that many men have entered Lloyd's and remained members for the whole of a long career, whose efforts have been confined to receiving an annual cheque and to grumbling when they were disappointed at the amount.

The various guaranties have increased enormously and the committee now holds securities of over ten and a half million solely to safeguard policyholders, besides premium funds amounting to several millions of pounds and guaranty policies aggregating £11,500,000, behind all of which is the security of each member's personal fortune.

Is it remarkable that with such safeguards Lloyd's policies enjoy prestige?

To accountants, particularly, it is interesting to note that Lloyd's refuses to issue a guaranty policy to members unless they submit their accounts to audit, and this audit is regarded as perhaps the greatest of all safeguards.

The esprit de corps is remarkable, for although each individual acts for himself and by himself, his great aim is to support the corporation.

In recent years one member acted like a criminal lunatic and made commitments having nothing to do with the ordinary business of Lloyd's. The members voluntarily disbursed £500,000 to meet these commitments, which were in the main fraudulent but were held by innocent parties. There was neither compulsion nor dissent, and it is doubtful whether such action would have been possible in any other association in the world.

As a result of the rule that only individuals who are members of Lloyd's may sign policies, Lloyd's policies are issued only at Lloyd's in London, for none but a member may sign them. For the same reason, there are no agents to solicit business for Lloyd's.

One desiring insurance consults a broker who now, as centuries ago, prepares a "slip," and, instead of taking it from coffee house to coffee house and from exchange to exchange in search of underwriters, takes it to Lloyd's, where underwriting members sign it and the resulting policy, as they did several centuries ago.

OFFSPRING

There are at least several enterprises which are the offspring of Lloyd's, among which are *Lloyd's List* and *Lloyd's Register of British and Foreign Shipping*.

It was one of the customs of a coffee house to have news sheets for the use of its patrons and many houses received letters containing items of news which were passed round. This gave birth to the modern newspaper, the history of which is fascinating but far too great to be even touched on here.

Some coffee houses issued news sheets, and early in September, 1696, Edward Lloyd began the issue of *Lloyd's News*. Many have regarded this as the direct parent of *Lloyd's List*, but this is incorrect.

Lloyd's News was a newspaper containing items of general news and printed on a single sheet about 6 inches by 11 inches. It was issued three times a week by Edward Lloyd, although probably one of the professional compilers of news letters acted as editor, but publication ceased on February 24 (26), 1697, as he had printed not wisely but too much, and was the object of action in the house of lords.

In 1734, 21 years after Edward Lloyd's death, his successor, Thomas Jensen, commenced publishing *Lloyd's List*, but died a few weeks before the first number appeared. This was a sheet about 7 × 12 inches, and contained on the back a list of arrivals and departures, and on the front page what we should now call Wall street news, foreign exchanges, prices of stocks, bullion, and dates of dividends, etc. The subscription was three shillings a quarter, for which subscribers would "have them carefully deliver'd according to their Directions."

Owing to the high rates of postage, special arrangements were made with the postoffice under which letters for *Lloyd's List* were addressed to the postmaster general and by him were forwarded to Lloyd's Coffee House. For this free transmission and delivery £200 a year was paid by the master of the coffee house.

When the committee took over the coffee house it also took over *Lloyd's List*, which continued without interruption until 1837, when it was enlarged and printed as a daily evening paper. From 1872-1884 it was amalgamated with *The Shipping Gazette*. However, Lloyd's resumed charge in the latter year and has continued to publish it ever since as *Lloyd's List*, asserted to be the oldest newspaper in London, except the official *London Gazette*.

If an outsider calls at Lloyd's to see a member he is met by a berobed functionary who, on learning his desire, emits a roar which penetrates the din of hundreds of voices and, to the initiated, means the name of the member. How that member recognizes it has always been a mystery to me, but know it he does and shortly appears.

Near the callers' rostrum may be seen an old-fashioned bell taken from the *Lutine*, a vessel built for the French navy, captured by the British, recaptured by the French and finally wrecked on the Dutch coast, after which the King of Holland's share was sold and passed to Lloyd's.

While one is straining ears to understand something of the noise, the bell is rung; instant and complete silence follows, while the caller announces some event of interest, probably about some vessel long overdue which is heard from or lost.

It is obvious that underwriters must have some record of the vessels which they are asked to insure, and doubtless before the formation of Lloyd's such records were kept privately by individuals.

However, as the business grew the need increased, and in 1760 some members founded a Society of Underwriters for the purpose of publishing such a record. This register was never the property of Lloyd's but of the special society, and the first registers were sold only to the members, who were subject to fines and penalties if they allowed the volume to be read by any one other than a member.

These registers showed the condition and quality of both hulls and equipment. The five vowels were used to indicate the state of the hulls and "good," "middling" and "bad" that of the equipment.

In the edition of 1768-9 the letters a, b, c and the numerals I, II, III were used for the same purpose, but in the edition for 1775-6 the large capitals were again used for hulls and numerals for the state of equipment, giving rise to the world-famous symbol A-I to describe a vessel of the highest class as to both hull and equipment—a symbol never yet changed.

Publication of the register continued without competition until 1798, when a dispute arose with shipowners regarding classification. Contention became so bitter that the shipowners published a rival register known as the *Red Book* to distinguish it from Lloyd's green book.

In 1824 a movement started for consolidation and, as usual, a committee was appointed to examine the situation, but not until 1834 was there a practical result. By that time both registers were in financial difficulties, but a union was effected between the General Ship Owners' Society and the Society of Underwriters, resulting in *Lloyd's Register of British and Foreign Shipping*.

While having some interests in common, the two bodies have remained distinct and apart, although on terms of friendship and intimacy.

The business of *Lloyd's Register* is not only to publish an annual register showing all particulars of every vessel afloat, but also to draw and adopt rules governing the construction of vessels—rules on which their classification is based. It maintains surveyors for the register throughout the world, who examine vessels under construction or undergoing repairs and make those periodic surveys necessary to maintain the classification on which insurance rates are based.

The last report of *Lloyd's Register* states that the aggregate of shipping holding or intended to hold the classification of *Lloyd's Register* amounts to 10,021 vessels of nearly 32½ million tons gross.

Lloyd's agents are to be found at every recognized port in the world, and number some 1,500. The first appointments were made in 1805. Their duties are unique. They gather and forward to Lloyd's word of all vessels arriving at or departing from the respective ports; they examine insured ships and goods which are damaged but have no authority to settle losses unless specially directed to do so, and above all, they have nothing whatever to do with writing insurance and have no insurance agents.

Another matter of first importance to underwriters is the proper handling of damaged vessels and their cargoes, and in 1856 the London Salvage Association was formed for this purpose. It has proved to be wonderfully efficient and from its headquarters or from its branch offices are directed repairs and salvage operations over the entire world. For this purpose the surveyors for *Lloyd's Register* and Lloyd's agents are used, as the three organizations work for the common purpose of minimizing losses and increasing the common safety.